THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.12579 OF 2006

ORAL ORDER:

This writ petition is filed seeking a declaration that the action of the respondents in insisting on furnishing bank guarantee for a sum of Rs.1.00 lakh, for issuance of clearance certificate in respect of the petitioner's bus baring No.AP 03-U-3389 vide letter dated 18.5.2006, is arbitrary and illegal.

It is not in dispute that the petitioner entered into an agreement with the Corporation for hiring the vehicle in question for plying by the Corporation and the period of agreement expired on 31.3.2006. However, the respondent-Corporation did not return the Registration Certificate of the vehicle, and also refused to issue the clearance certificate, on the ground that the vehicle in question was involved in an accident while it was on hire. The Corporation issued the impugned letter dated 18.5.2006 insisting on furnishing the bank guarantee for a sum of Rs.1,50,000/- for a period of 10 years, since the O.P. filed by the claimant for compensation of Rs.1.00 lakh, is still pending.

The question, whether the Corporation is justified in insisting on furnishing the bank guarantee in such circumstances, has been considered by this Court in W.P.No.9960 of 2006, and by order dated 25.5.2006, this Curt held that it would be suffice if the owner of the vehicle is directed to furnish an undertaking to the effect that he would indemnify the respondents from any liability arising out of the accident.

Having heard the learned counsel for the petitioner, and the learned standing counsel appearing for the respondent-Corporation, I do not find any reason to take a different view than that was taken in the above case.

Accordingly, the impugned letter dated 18.5.2006 is set aside, and the writ petition is disposed of with a direction to the respondents to issue clearance certificate and return the original R.C. book, as sought by the petitioner, subject to the condition that the petitioner submits a written undertaking before the respondents and also before the Motor Accident claims Tribunal, in which O.P.Nos.345 and 346

of 2003, is pending, to the effect that he would indemnify the respondents from any liability arising out of the accident, which is the subject matter of O.P.Nos.345 and 346 of 2003, on the file of the Motor Accident claims Tribunal-cum-District Judge, Chittoor, relating to the bus in question. No costs.

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(G. ROHINI, J.)

23rd June, 2006.

Kgr

Issue CC in two days.

THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION No.12579 OF 2006

23rd June, 2006.

Between:

R. Thirumalai. .. Petitioner.

And

The Andhra Pradesh State Road Transport

Corporation, represented by its

Vice Chairman-cum-Managing Director,

Musheerabad, Hyderabad and another. .. Respondents.